



## Policy Focus

**A bi-monthly review of major policy developments in  
Brussels, London and Washington, prepared for the BABC**

November 2006

### **BABC Policy Action:**

#### **► BABC urges reconsideration of TV Without Frontiers Directive**

In September, BABC raised several concerns with the Department for Culture Media and Sport (DCMS) regarding the European Commission's proposals to widen the scope of the TV Without Frontiers (TVWF) Directive. While there is clearly a need to update the existing TVWF Directive, the new regulations will create an undue regulatory burden that will ultimately stifle innovation and discourage new investment in the region. Under the proposal, increased compliance and enforcement costs will create new barriers to entry for small firms, which are important to the competitiveness of this sector. At the same time, we are concerned that larger firms might choose to relocate outside of the EU to avoid having to comply with the Directive.

#### **► BABC calls for the consistent enforcement of Unfair Commercial Practices Directive**

In a letter to the Department of Trade and Industry, BABC has expressed members' concerns about misleading packaging in the UK. This is a key issue to be taken up by the Unfair Commercial Practices Directive (UCPD), and because existing remedies in the UK against misleading packaging are currently so ineffective, we expect the Directive to be particularly significant in this context. The UCPD makes provision for competitors with a legitimate interest to initiate enforcement action, an approach that is being adopted in other EU member states. BABC have asked that this provision be considered seriously in relation to misleading packaging in the UK, thereby ensuring that the UK complies with its overall duty to provide adequate and effective enforcement.

### **Transatlantic regulatory cooperation doubtful Washington**

Barney Frank, a senior Democratic congressman who is expected to take over the chair of the House Financial Services Committee as the Democrats have retaken the Chamber, said that he does not

### **EU's energy future in the spotlight Brussels**

On the same day as the launch of the Stern report in the UK, the EU-Russia Energy Dialogue Conference and a new Report by the High-Level Group Competitiveness-Energy-Environment all demonstrated that energy issues have become an EU priority. At the conference on Energy Dialogue in Moscow, EU Energy Commissioner Andris Piebalgs stressed that Russia and the EU needed to improve mutual understanding. International cooperation was a major recommendation in the report from the high-level group on competitiveness, energy and the environment. The report also stipulated that the EU should develop a "comprehensive evidence-based strategy" for its energy future and improve the existing emissions trading scheme. [LINK](#)

### **No 10 announces mini-reshuffle following Lord Sainsbury's resignation from government London**

Malcolm Wicks has been appointed the new Minister for Science following Lord Sainsbury's resignation. Alistair Darling, Trade and Industry Secretary, will take on Wick's former energy responsibilities and will be assisted in his role by Lord Truscott, who joins the Department of Trade and Industry as parliamentary under-secretary. [LINK](#)

### **Britain will introduce regulatory regime to support the domestic issuance of "Islamic Bonds"**

Britain will become the first Western country to introduce a regulatory regime to support domestic issuance of *sukuk*—Islamic Bonds or those which do not pay overt interest. The move will ensure that companies in London can issue *sukuk* as easily as corporate bonds therefore boosting the City of London's role in global capital markets. It is hoped that the framework to support issuance of *sukuk* will be introduced next year via parliamentary legislation. [LINK](#)

### **Regulating the gaming industry London**

Speaking ahead of the international gaming summit Tessa Jowell, the UK's culture secretary, said there

think financial regulators on both sides of the Atlantic would be able to resolve policy disputes through cooperation and the creation of a global regulator should be considered. Frank's views differ from those of the Securities Exchange Commission (SEC), the financial regulator that the committee oversees. Chairman of the SEC Christopher Cox has been at pains recently to demonstrate increasing cooperation with foreign regulators such as the UK's Financial Services Authority (FSA). [LINK](#)

### **Stern report on climate change hailed as a milestone**

#### **London**

Speaking at the launch of the former World Bank chief economist Sir Nicholas Stern's study of the economic impact of global warming on 30 October, Prime Minister Tony Blair stated that Britain should try to lead global action to prevent disastrous consequences of climate change. The Prime Minister emphasized that action to tackle climate change required global cooperation. [LINK](#)

The Prime Minister will now try to revive talks on a post-Kyoto agreement. Sigmar Gabrielle, Germany's environment minister supports the UK's position saying that it would rank on Germany's list of priorities when it takes over the Presidency of the European Union and chair of the G8 in January 2007. [LINK](#)

### **Chancellor Gordon Brown appoints Al Gore as environment advisor**

#### **London**

The Chancellor reinforced his desire to see global action on climate change by appointing Al Gore, former US Vice President, as his advisor on environmental issues. In a letter to European leaders, Brown also calls for cuts in carbon dioxide emissions of 30 per cent by 2020 and 60 per cent by 2050. Brown has also confirmed that there will be a Climate Change Bill to put carbon dioxide reductions on a statutory basis. [LINK](#)

### **Confidence in European economies rises**

#### **Brussels**

Confidence in the European economy rose to a five-year high in October with inflation slowing as a decline in oil prices increased spending power of consumers and businesses. The European Central Bank is concerned that the fastest economic growth in 6 years will fuel inflation in the Euro region. [LINK](#)

was consensus among stakeholders to support tough regulation of internet gambling and that the UK would not be following the American route of prohibition. Britain's regulatory approach has won the support of organizations working with gambling addicts and industry. [LINK](#)

### **EU businesses want greater involvement in China**

#### **Brussels**

French President Jacques Chirac led an elite contingent of European businesses to China from 25-28 October in an effort to secure a number of deals that would reduce the EU's trade deficit with China and increase European presence in the market. The trip comes as the EU is increasing pressure on China to improve market access for European goods and services. The World Trade Organization (WTO) agreed on 26 October to initiate investigations into duties imposed by China on imports of car parts following a joint complaint from the EU, the US and Canada. [LINK](#)

### **EU-US technology gap grows**

#### **Brussels/Washington**

The EU still lags behind the US and Asia in R&D investment. Spending on industrial innovation and corporate R&D rose only 5.8 per cent in the EU between 2005 and 2006 in comparison to 8.2 per cent in the US, 10.7 per cent in China and 25.1 per cent in India according to the Department of Trade and Industry's 2006 R&D Scoreboard published on 30 October 2006. R&D spending in the EU is highest in the automotive and pharmaceutical sectors. [LINK](#)

### **Politics at a Glance**

#### **London:**

**6 Dec:** Consultation closes on the UK's new supervisory regime for Money Service Business to combat money laundering and terrorist finance in the sector

**12 Jan:** Department of Trade and Industry consultation on the effectiveness of current gas security of supply arrangement closes

#### **Washington:**

**14-15 Nov:** Centennial regional meeting of the American Society of International Law (ASIL), "UN Reform: Who needs reforming the most—the UN or its members?" San Diego, CA

#### **Brussels:**

**7 Nov:** Employment, Social Policy, Health and Consumer Affairs Council meeting on the Working Time Directive, Brussels

**24 Nov:** EU-Russia Summit, Helsinki

